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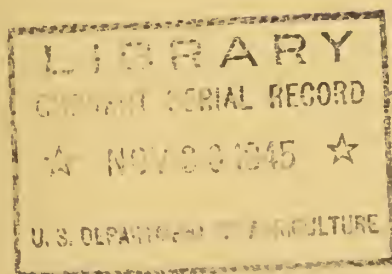
Foreign Crops and MARKETS



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MARCH 6, 1944



LATE FOREIGN DEVELOPMENTS . . .

ARGENTINE WHEAT STOCKS

Commercial stocks of wheat on February 1 were estimated at about 287 million bushels. Of that amount 150 million bushels were held by country dealers, 108 million by exporters, and 29 million in other positions.

ARGENTINE CORN PROSPECTS

The corn crop is reported to be progressing favorably in most regions, though a few later sections in the south are in need of rain, following higher temperatures during February. Reports from Rosario are very optimistic, indicating possible record yields.

CORN CROP ESTIMATE FOR UNION OF SOUTH AFRICA

A preliminary forecast places the probable corn crop, to be harvested during April-June, at around 64 million bushels as compared with last year's production of 78,764,000 bushels.

INDIAN COTTON FORECAST

The fourth all-India forecast for the 1943-44 cotton crop indicates a planted area of 19,261,000 acres, and predicts a production of about 4,128,870 bales (of 478 pounds). The acreage forecast is a 2-percent increase over the corresponding forecast of the previous season, and the yield prediction is an increase of 10 percent over last year's, indicating conditions generally more favorable to an increased yield per acre. On an average, over the last 10 years, the area reported in the fourth forecast has been about 99 percent of that shown in the supplementary fifth forecast, and the yield has been about 95 percent of that reported in the fifth forecast.

INDIAN COTTON FUTURES TRADING IN KARACHI

The Government of India by a notification under the Cotton Forward Contracts and Options Prohibitions Order published in the Gazette of India recently, is permitting the reopening of the futures trading in cotton in the ring of the Karachi Cotton Association, subject to rigorous safeguards on the lines laid down for the reopening of the Futures Market in the East India Cotton Association (Bombay), which was outlined in the issue of January 31, 1944. At the end of May 1943, futures and options trading in raw cotton, bullion, and cottonseed were prohibited as an inflation-control measure. Trading will be allowed only in the Fine MG 4F Hedge Contract, subject to a set ceiling and floor price, with the Government retaining the right to purchase at the floor rate from any person who offers to sell at this rate, or when the prices quoted are from 3 to 5 percent above the fixed floor, to prevent price manipulation and to maintain the floor level. Operations in future trading in the Karachi Cotton Association will be closely supervised by the Government of the Province of Sind.

BRAZIL ABOLISHES ADMIXTURE OF MANIOC WITH WHEAT FLOUR

All-wheat bread is again the standard in Brazil, with the expiration on December 31 of the compulsory use of other flours with wheat. This marks the success of the commercial agreement with Argentina, which provided for termination of such use by the end of 1943. The agreement may be cited as an outstanding example of measures leading to a lowering of trade barriers and stimulation of commerce in wheat.

During 1933-1937 wheat amounted to 12 percent of Brazil's total imports, and, being valued at an average of \$22,000,000, required a considerable part of the country's foreign exchange. A decree was passed in 1937 aimed at reducing imports by increasing the domestic crop and by the extension of existing supplies through the mixture of other flours with wheat. The percentage provided for in 1938 was 2 percent of manioc flour, which increased to 15 percent in 1940 and 1941. This was reduced to 10 percent during the greater part of the 2 following years.

As manioc is no longer to be mixed in the bread, substitute uses are sought to absorb the surplus. A commission was created in late 1942, charged with providing new outlets for the large manioc production that has developed during the past 6 years. According to reports, plans are being developed to divert a considerable part of the crop to the manufacture of alcohol, as a temporary expedient. Export standards for manioc starch, flour, and tapioca have been set up recently with a view to developing export markets.

ARGENTINA ESTABLISHES NEW MINIMUM CORN PRICE

The Argentine Government has established the minimum price on corn of the 1944 crop at 5.20 pesos per 100 kilograms, basis bagged, shelled corn on board cars at Buenos Aires. The equivalent in United States currency is 39-1/3 cents per bushel, converted at the official buying rate in mid-February. Since last year's crop was very small (76 million bushels) no guaranteed price was necessary and transactions in bagged grain of the 1942-43 crop on the Buenos Aires exchange ranged from 5.40 to 7.30 pesos per 100 kilograms (about 40-58 cents per bushel). The guaranteed price on the 1942 crop was 4.40 pesos or about 33 cents per bushel.

Prices for corn on the cob at the farm will be at corresponding discounts for the different locations. Resale of corn for domestic consumption will be at 5.50 pesos per 100 kilograms, which would be about 41-1/2 cents per bushel, and 5.25 pesos, or around 39-3/4 cents per bushel, on corn for fuel. All corn for export must be purchased from the Grain Board, which will presumably function as an export monopoly similar to operations in wheat and flaxseed. Transactions for domestic use may, however, be made independently.

The outlook for corn producers in Argentina is much brighter than last year, as a result of prospects for a greatly increased production, together with the comparatively high guaranteed price. The first official forecast of the crop will not be released until early in April. If present favorable crop prospects continue, returns to producers might be expected to be larger than in any recent year.

LATIN AMERICAN RICE SUPPLIES LARGER IN 1944

The rice surplus available for export from the Latin American countries in 1944 may exceed that of 1943 by about 200 million pounds, even after allowance has been made for noticeable increases in local consumption. Stocks on hand in Brazil, Ecuador, and Mexico at the end of 1943 were slightly larger than normal. This factor, together with indications of increased production in both the surplus- and deficit-producing countries of Latin America, may contribute toward a sizable increase in the supplies available for United Nations outside the Western Hemisphere.

The 1944 rice crop in Rio Grande do Sul, the principal rice-exporting State of Brazil, is expected to exceed the 1943 harvest by about 50 percent, or by 5 to 7 million bushels. Estimates indicate that as much as 350 million pounds may be available for export from that State. The new Sao Paulo crop, mostly non-irrigated, has been damaged by drought, and little, if any, is expected to be exported, although some rice from last year's crop continues to be shipped. As in other Latin American countries, rice consumption in Brazil is increasing, due largely to a general increase in purchasing power of consumers.

Rice production in Ecuador reached a record level of 7.3 million bushels in 1943, and a further small increase is expected in the 1944 crop, harvesting of which begins in May. The surplus available for export in 1944 from the stocks on hand at the beginning of the year and from the new crop may exceed the record total of 106 million pounds exported in 1943.

Reports from Chile indicate a 16-percent increase in acreage over that of 1943. Good weather has favored prospects for high yields from the crop to be harvested in March and April. The average yield per acre is estimated at about 80 bushels, which is higher than in any other country in Latin America. Both Chilean consumption and exports are expected to increase in 1944. Exports reached a record level of about 50 million pounds in 1943, principally to Cuba, Bolivia, and Peru.

In Mexico, where the crop is harvested mainly in the latter part of the year, the 1943 crop was estimated at 5.6 million bushels, compared with the previous record of 5.5 million for 1942. A ban was placed on exports in June 1943 because of a general shortage in food grains and a resulting tendency toward inflationary prices. About 6 million pounds of rice were exported, however, before the ban was imposed. Exports in 1944 are expected to be larger than last year provided local supplies of other grains increase sufficiently to permit the lifting of the embargo.

Production in Cuba may be slightly larger than the record crop of 2.2 million bushels harvested last year. Domestic rice, however, represents only a small fraction of Cuba's consumption of about 450 million pounds annually, and heavy imports are required, either from the United States or Latin America.

Present indications are that there may be no surplus for export from Central America this year because of unfavorable weather, which resulted in a reduction of the crops harvested in late 1943. The quantity obtained from the Dominican Republic will be reduced for the same reason.

RECORD WORLD FLAXSEED PRODUCTION IN 1943*

World production of flaxseed has fluctuated widely during the past two decades but has shown a phenomenal increase since 1939, reaching a record of approximately 200 million bushels in 1943, compared with the average of only 150 million bushels during 1925-1929. Production in the 1930's was at a still lower level, primarily because of the decreased demand, and partly because of the short crops in North America resulting from a number of exceptionally dry years.

Flaxseed is grown principally in countries of the Temperate Zones. Normally, however, production is particularly important only in Argentina, the United States, the Soviet Union, and India. The output of these four countries usually comprises about 80 percent of the total world production. The Western Hemisphere alone normally accounts for about two-thirds, and the Latin American countries, prior to the recent wartime increase in North America, for about half of the world total.

Argentina is by far the world's largest producer of flaxseed, with a record output of 89 million bushels in 1931 and an average of 74 million during the period 1925-1934. Only once since 1934 has production reached the average of the 10 preceding years, although the sown acreage has remained about the same. Argentina's variable weather has, to a great extent, been responsible for low yields in some years. Other Latin American countries producing flaxseed, in order of their volume of production, are Uruguay, Mexico, Brazil, Chile, and Peru.

Both Canada and the United States began to expand their production in 1939, the trend continuing upward since that time, to offset the shortage of fats and oils available to the United Nations. In 1943, Canadian flaxseed output was 17.9 million bushels compared with 1.3 million in 1938. During the same period United States production advanced from 8 million to 52 million bushels, placing this country second only to Argentina. In years immediately preceding the outbreak of war in Europe, the Soviet Union occupied second place in world production, and India third.

FLAXSEED: World production, averages 1925-1934, annual 1938-1943

	: AVERAGE:		AVERAGE:	:	:	:	:	:	:
COUNTRY	: 1925-	: 1930-	: 1938	: 1939	: 1940	: 1941	: 1942	: 1943	
	: 1929	: 1934	:	:	:	:	:	:	
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	
North America	: bushels:	bushels:	bushels:	bushels:	bushels:	bushels:	bushels:	bushels:	
United States	20,216:	11,512:	8,032:	19,606:	30,888:	32,285:	41,953:	52,008	
Canada	4,558:	2,359:	1,259:	2,044:	3,049:	5,788:	14,992:	17,911	
Mexico	47:	91:	85:	153:	123:	313:	1,153:	1,400	
South America	:	:	:	:	:	:	:	:	
Argentina	73,390:	74,346:	57,002:	42,533:	59,839:	62,989:	60,036:	66,729	
Uruguay	2,240:	3,539:	4,427:	5,118:	2,171:	1,847:	1,808:	1,890	
Brazil a/	-	:	:	575:	827:	675:	650:	700:	700

Continued -

*Prepared by Regina H. Boyle.

FLAXSEED: World production, averages 1925-1934,
annual 1938-1943 - Continued

COUNTRY	: AVERAGE: AVERAGE:		:	:	:	:	:	:
	: 1925-	: 1930-	: 1938	: 1939	: 1940	: 1941	: 1942	: 1943
	: 1929	: 1934	:	:	:	:	:	:
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:
Europe	:	:	:	:	:	:	:	:
Union of Soviet So-	:	:	:	:	:	:	:	:
cialist Republics	: 22,475:	: 29,865:	: 29,526:	-	-	-	-	-
Poland	: 2,620:	: 1,974:	: 2,693:	-	-	-	-	-
Lithuania	: 1,456:	: 1,009:	: 1,161:	: 1,295:	: 1,295:	-	-	-
Germany	-	: 75:	: 898:	-	-	-	-	-
Austria	: 49:	: 24:	: 35:	-	-	-	-	-
France	: 693:	: 363:	: 328:	-	-	-	-	-
Belgium	: 512:	: 294:	: 634:	: 987:	-	-	-	-
Latvia	: 808:	: 533:	: 803:	: 787:	-	-	-	-
Rumania	: 267:	: 415:	: 217:	: 205:	-	: 594:	-	-
Estonia	: 395:	: 237:	: 350:	: 272:	-	-	-	-
Netherlands	: 443:	: 177:	: 650:	: 886:	-	-	-	-
Czechoslovakia	: 342:	: 126:	-	: 47:	: 43:	-	-	-
Hungary	: 55:	: 252:	: 350:	: 370:	: 264:	-	-	-
Italy	: 338:	: 140:	: 255:	: 335:	: 602:	-	-	-
Bulgaria	: 3:	: 10:	: 32:	-	-	-	-	-
Yugoslavia	: 38:	: 37:	: 53:	: 59:	-	-	-	-
Cyprus	: 17:	: 18:	: 24:	: 31:	-	-	-	-
Asia	:	:	:	:	:	:	:	:
India b/	: 16,976:	: 17,064:	: 19,480:	: 18,640:	: 19,760:	: 18,520:	: 14,440:	: 16,440
Turkey	: 129:	: 176:	: 335:	: 494:	: 690:	: 689:	: 394:	: 709
Japan	: 166:	: 131:	: 323:	-	-	-	-	-
China	-	-	: 3,200:	-	-	-	-	-
Africa	:	:	:	:	:	:	:	:
Morocco	: 446:	: 440:	: 220:	: 571:	: 605:	: 1,002:	: 1,192:	: 984
Egypt	: 32:	: 44:	: 108:	: 104:	: 117:	: 375:	: 551:	: 315
Tunisia	: 41:	: 30:	: 2:	-	-	-	-	-
Eritrea	: 14:	: 29:	-	-	-	-	-	-
Oceania	:	:	:	:	:	:	:	:
New Zealand	: 84:	: 53:	: 27:	: 18:	-	-	-	-
Total	: 149,201:	: 145,894:	: 133,084:	-	-	-	-	-
Other countries	: 1,514:	: 1,522:	: 1,185:	: 2,106:	: 1,518:	: 1,776:	: 1,488:	: 1,479
Estimated world	:	:	:	:	:	:	:	:
total c/	: 150,715:	: 147,416:	: 134,269:	: 132,600:	: 159,000:	: 156,000:	: 175,000:	: 200,000

Compiled from official sources and International Institute of Agriculture.

a/ Unofficial estimate.

b/ Officially reported production plus Indian official estimates for unreported tracts except in 1942 and 1943 when no estimates for unreported tracts were available.

c/ Includes estimates for countries for which 1939-1943 figures are not available.

European countries that formerly grew flax for fiber are now concentrating on seed production. Although official statistics for these countries are not available, it is known that production has been increased greatly in recent years, particularly in Germany and the occupied territories.

CONSUMPTION In world consumption of flaxseed, the United States holds first place. This country has a large crushing industry, and most of the oil is used in the manufacture of paints and varnishes. Practically all of the Soviet production of flaxseed is also absorbed within the country, where it is used for edible as well as industrial purposes. Argentina, India, and Uruguay cultivate flaxseed primarily for export, and, until the present war disrupted world trade, they retained very little for domestic utilization. Between the years 1929 and 1940, Canadian consumption exceeded production, with the exception of a few years when crops were large enough to afford an exportable surplus. For the world as a whole, consumption in 1943 kept pace with production only because of the large quantity used for fuel in Argentina.

INTERNATIONAL TRADE In International trade, Argentina and Uruguay together supplied from 75 to 90 percent of the flaxseed exports during the period 1925-1939. Recently Mexico has become a small exporter, and Canada again has an exportable surplus. The United States has usually been the largest importer of flaxseed, although in some years the Netherlands imports have been greater. The United Kingdom maintained about the same average through 1939; since that time comparable figures have not been published. Germany's drive for self-sufficiency in raw materials resulted in a drop in imports into that country after 1934.

Other countries importing substantial quantities of flaxseed prior to 1939 were France, Belgium, Italy, Czechoslovakia, and Australia. Most of the European countries crushed the seed and exported some of the linseed oil. Their requirements for the latter were not so great; however, the cake and meal were in demand to supplement livestock feed. Germany imported linseed oil, cake, and meal in addition to flaxseed. The United Kingdom also imports large quantities of cake and meal, in addition to flaxseed, and has been a net importer of linseed oil since 1927.

Markets for Latin American flaxseed have been disrupted by various factors during the past decade. Argentina and Uruguay supplied most of the United Kingdom's flaxseed requirements until 1932, when the Ottawa Agreements placed a duty of 10 percent on flaxseed entering the United Kingdom from non-Empire countries; after that year India became the chief source of supply.

In 1933, France imposed a duty on flaxseed from other than French Colonial possessions, and the following year a quota system was inaugurated giving preference to seed of French Colonial origin. Argentine exports to the Netherlands, which were approximately 25 million bushels in 1932, dropped to 11 million in 1939 and to 3 million in 1940. Exports to Germany were also materially reduced in the late 1930's. The major portion of the United States imports still comes from Latin American countries, the volume varying according to the size of the domestic crop and to the extent of industrial activity.

COUNTRY	AVERAGE 1925-1929	AVERAGE 1930-1934	1938	1939	1940	1941	1942 <u>a/</u>
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
Argentina	63,599:	51,763:	49,806:	45,580:	29,612:	26,168:	12,405
British India <u>b/</u>	9,442:	8,594:	11,470:	10,646:	9,512:	<u>c/</u>	<u>c/</u>
Uruguay	2,084:	3,333:	2,849:	4,288:	3,991:	3,095:	1,199
Lithuania	811:	405:	2,224:	406:	-	-	-
Union of Soviet Socialist Republics <u>d/</u>	778:	61:	0:	-	-	-	-
Latvia	644:	197:	129:	-	-	-	-
Morocco	363:	359: <u>d/</u>	227:	-	-	-	-
Eritrea <u>d/</u>	188:	80:	-	-	-	-	-
China	117:	392:	285:	177:	36:	-	-
Rumania	56:	153:	0: <u>d/</u>	2:	-	-	-
Hungary <u>d/</u>	27:	78:	-	-	-	-	-
United States	0:	0:	0:	0:	0: <u>e/</u>	44:	<u>e/</u>
Netherlands	208:	139:	222:	254:	-	-	-
Germany	80:	33:	0:	0:	-	-	-
France	20:	19:	3:	-	-	-	-
Belgium	301:	196:	167:	173:	-	-	-
Sweden	0:	0:	0:	2:	-	-	-
Czechoslovakia	10:	11:	1:	-	-	-	-
Denmark	0:	0:	0:	0:	3:	-	-
Spain	3:	0:	0:	0:	0:	-	-
Estonia <u>d/</u>	85:	27:	9:	-	-	-	-
Canada	2,829:	686:	13:	18:	65:	3,897:	9,657
Poland	275:	15:	0:	-	-	-	-
Japan	0:	1:	4:	0:	0:	-	-
Turkey <u>d/</u>	-	-	28:	143:	-	-	-
Cyprus <u>d/</u>	20:	11:	16:	30:	-	-	-
Iraq <u>d/</u>	-	16:	146:	112:	134:	-	-
Greece	3:	4:	0:	0:	-	-	-
Mexico	-	-	0:	-	2:	12:	12
Total	82,042:	76,570:	67,599:	-	-	-	-

Compiled from official sources except as otherwise stated.

a/ Preliminary.

b/ Foreign trade of Burma beginning April 1937 no longer included with British India.

c/ Not available for publication.

d/ International Yearbook of Agricultural Statistics.

e/ Not separately classified prior to July 1, 1941.

FLAXSEED: Imports into specified countries, averages 1925-1934, annual 1938-1941

COUNTRY	: AVERAGE : : 1925-1929 :	AVERAGE : : 1930-1934 :	: 1938 :	: 1939 :	: 1940 :	: 1941 <u>a/</u> :
	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :
Argentina	0 :	0 :	1 :	3 :	2 :	0 :
British India <u>b/</u>	763 :	597 :	581 :	360 :	15 :	- :
Union of Soviet Socialist Republics <u>d/</u> :	0 :	0 :	57 :	- :	- :	- :
Latvia	560 :	189 :	37 :	- :	- :	- :
Hungary <u>d/</u>	92 :	60 :	117 :	61 :	- :	- :
Estonia <u>d/</u>	31 :	29 :	- :	- :	- :	- :
Rumania	9 :	0 :	0 : <u>d/</u>	4 :	- :	- :
United States	20,540 :	12,611 :	15,364 :	16,028 :	11,825 :	<u>e/</u> 11,362 :
Netherlands	13,639 :	13,715 :	11,735 :	12,201 : <u>f/</u>	1,892 :	- :
Germany	13,602 :	13,366 : <u>g/</u>	6,104 :	- :	- :	- :
United Kingdom	13,439 :	10,837 :	11,053 :	13,160 :	- :	- :
France	7,368 :	9,377 :	8,001 :	6,943 : <u>f/</u>	825 :	- :
Belgium	4,052 :	4,856 :	3,367 :	4,196 :	- :	- :
Italy	2,380 :	2,540 :	2,117 :	- :	- :	- :
Sweden	1,477 :	1,583 :	1,918 :	2,205 :	- :	- :
Australia <u>d/</u>	957 :	774 :	1,294 :	1,155 :	- :	- :
Czechoslovakia	885 :	1,002 : <u>g/</u>	688 :	- :	- :	- :
Denmark	696 :	749 :	664 :	1,052 :	478 :	- :
Spain	663 :	760 :	- : <u>h/</u>	178 :	140 :	- :
Norway	602 :	642 :	827 : <u>d/</u>	916 :	- :	- :
Canada	568 :	510 :	713 :	1,116 :	874 :	- :
Poland	522 :	411 :	0 :	- :	- :	- :
Japan	464 :	487 :	315 :	94 :	52 :	- :
Finland	222 :	148 :	315 :	281 :	- :	- :
Yugoslavia: <u>i/</u>	188 :	212 :	386 :	284 :	- :	- :
Greece	118 :	178 :	135 :	127 :	80 :	- :
Mexico	- :	- :	- :	0 :	- :	76 :
Brazil	- :	562 :	320 :	255 :	255 :	616 :
Total	83,837 :	75,633 :	66,351 :	- :	- :	- :

Compiled from official sources except as otherwise stated.

a/ Latest figures available for publication.

b/ Foreign trade of Burma beginning April 1937 no longer included with British India.

c/ January only; last published data.

d/ International Yearbook of Agricultural Statistics.

e/ January-September; last published data.

f/ January-March; latest available data.

g/ Beginning April 1938, trade between Germany and Austria no longer reported as foreign trade in the German statistics. The same applies to trade between Germany and Sudetenland for the period October-December, 1938.

h/ April-December; full year not available.

i/ Includes cottonseed and hempseed.

ARGENTINA In 1943 Argentina's flaxseed crop, amounting to 67 million bushels, was the largest since 1936. Some trade sources think the Government's estimate is too conservative, and that it may be revised upward. This opinion is based on the belief that the particularly favorable weather conditions that prevailed during the growing and harvesting periods should result in a higher yield per acre than that of recent years. While Argentina is the outstanding producer of this crop, domestic consumption was comparatively small until 1942. During the 10-year period, 1925-1934, flaxseed crushings averaged only 582,000 bushels; since that time, crushings have increased annually, reaching 7,000,000 bushels in 1942. Although the output of linseed oil has been greater, its consumption did not increase materially until 1943 when it became necessary to use linseed oil as fuel.

At the beginning of the 1942-43 season (December 1) Argentina was faced with a record supply of approximately 128 million bushels of flaxseed. It is possible that some of the carry-over was in the form of oil, inasmuch as the Government had announced earlier in 1942 that several million bushels of seed then in possession of the Grain Regulating Board would be converted into oil to conserve storage space. Such conversion was also designed to eliminate loss from deterioration, which always takes place when large stocks of seed are stored for months. Another advantage was the prospect of exporting oil on return trips of oil tankers that carry fuel to Argentina.

Domestic consumption of 48 million bushels of flaxseed in the year ended December 1, 1943, was a record. This was due to the Government's decision to utilize part of the heavy surplus by using linseed oil as fuel oil. Seed was also burned as fuel prior to August 1, when a Government decree prohibited use in that form. This action was necessary in order to supply the minimum monthly deficit of 20,000 tons of fuel oil. Despite the heavy increase in consumption, the carry-over of 43 million bushels at the beginning of the 1943-44 crop year was far above normal. Reports indicate that approximately 16 million bushels of that carry-over are earmarked for fuel, which would leave an exportable surplus of 27 million bushels from the old crop.

Argentine exports of flaxseed and oil in terms of seed amounted to 30 million bushels during the 1942-43 crop year compared with 16 million in 1941-42. While the increase was notable, it was considerably below the average of 62 million bushels for the 10-year period, 1925-1934, and 59 million for the 5 years, 1935-1939. With the flaxseed markets in continental Europe closed since the fall of 1939 and available shipping space to the United States reduced since December 1941, exports are expected to remain at a low level until normal trade is resumed.

Argentina is well equipped to continue flaxseed production on a large scale if there is sufficient demand in foreign markets. Prior to the outbreak of war in 1939, European countries absorbed between 50 and 65 percent of the total shipments from that country, and it is quite likely that this trade will be resumed following the war. Although some European countries that formerly produced flax for fiber have recently concentrated on seed production, the volume probably will not be sufficient to meet post-war requirements. Normal European flaxseed consumption, excluding that of the Soviet Union, averaged about 50 million bushels annually. The United States, Argentina's best market for flaxseed since 1939, may purchase only limited quantities abroad when world trade is resumed, because this country's production is now about equal to domestic requirements.

ARGENTINA: Exports of flaxseed by countries of destination, averages
1925-1934, annual 1938-1942

COUNTRY	AVERAGE 1925-1929	AVERAGE 1930-1934	1938	1939	1940	1941	1942
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America							
United States	16,446:	9,779:	13,327:	12,939:	11,082:	20,448:	8,114
Canada	267:	749:	1,089:	1,607:	766:	44:	-
Mexico	- :	- :	- :	- :	a/ :	61:	-
Europe							
Netherlands	12,257:	17,909:	13,541:	11,405:	3,353:	- :	-
United Kingdom	7,290:	7,745:	1,396:	3,608:	7,195:	2,984:	2,758
Germany	7,200:	5,956:	2,512:	2,502:	- :	59:	-
Belgium	4,652:	6,459:	4,727:	3,477:	380:	- :	-
France	3,173:	6,792:	5,820:	5,050:	2,380:	- :	-
Sweden	1,108:	1,419:	1,701:	2,058:	532:	392:	722
Italy	856:	1,778:	1,854:	665:	1,253:	- :	-
Denmark	485:	779:	757:	754:	259:	- :	-
Norway	416:	579:	668:	668:	305:	- :	-
Spain	368:	541:	- :	51:	150:	378:	400
Finland	91:	111:	244:	259:	- :	114:	-
Czechoslovakia	- :	- :	685:	224:	- :	- :	-
Yugoslavia	- :	- :	341:	223:	98:	- :	-
Switzerland	- :	- :	- :	- :	136:	39:	1
Portugal	- :	- :	- :	- :	86:	189:	-
Africa							
Portuguese Possessions :	7,663:	2:	4:	22:	23:	18:	-
French Possessions:	- :	- :	- :	- :	509:	- :	-
Union of South Africa :	- :	- :	- :	- :	23:	44:	8
Other South America							
Brazil	146:	351:	536:	320:	119:	200:	40
Chile	- :	2:	37:	58:	74:	71:	50
Asia							
Japan	- :	- :	- :	- :	568:	957:	-
Others b/	1,281:	802:	567:	650:	321:	170:	312
Total	63,699:	61,763:	49,806:	46,580:	29,612:	26,163:	12,405

Comercio Exterior and other official sources.

a/ Less than 500 bushels.

b/ Includes small shipments to other Latin American countries.

A decree of January 7, 1944, provided that the Argentine Grain Board's guaranteed minimum price of 12 pesos per 100 kilograms (\$0.91 per bushel) for flaxseed from the 1943-44 crop would be effective only from December 1, 1943, to April 30, 1944. Limiting the application of the basic price of 12 pesos to the period specified will tend to bring about the complete marketing of the 1943-44 crop in those 5 months. The decree provides that as of May 1, 1944, the Board will purchase all flaxseed offered from the 1942-43 and 1943-44 crops at a price not higher than 9.25 pesos per 100 kilograms (\$0.71 per bushel). This action practically excludes the possibility of growers and traders profiting by holding seed for higher prices. Both prices apply to grade No. 2, on railway cars in the Port of Buenos Aires. Flaxseed or its byproducts can be exported only when the seed has been purchased from the Board. If export prices for the 1943-44 crop have been established, they are not yet available. On January 27, 1944, export prices for seed from the two previous crops ranged from 22.50 to 23.00 pesos per 100 kilograms (\$1.70 to \$1.74 per bushel) in bulk and 24.50 to 25.00 pesos (\$1.85 to \$1.89) in bags, depending upon the Port. There were no quotations for the Port of Buenos Aires.

URUGUAY While Uruguayan flaxseed production is small in volume compared with that of Argentina, Uruguay is second in importance as a producer in Latin American countries. Production rose from 2 million bushels in 1925 to 5 million in 1930, then declined until 1939, when a record crop of 5.3 million was harvested. Production for 1943 is unofficially estimated at 1.9 million bushels. Lack of moisture in the soil following the severe drought that began in 1942 and extended through the early months of the following year is probably responsible for the small flaxseed outturn in 1943. Although the exportable surplus may be small, it is possible that exports during the current year will equal those of 1943 when they were at the lowest level since 1925.

URUGUAY: Exports of flaxseed by countries of destination,
averages 1925-1934, annual 1938-1942

COUNTRY OF DESTINATION	AVERAGE : 1925-1929	AVERAGE : 1930-1934	1938	1939	1940	1941	1942 a/
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
Germany	10	102	102	-	-	-	-
Argentina	1,574	1,570	2,144	-	-	-	-
Belgium	117	288	45	123	-	-	-
Denmark	-	5	-	61	-	-	-
United States	23	106	328	236	1,103	2,671	1,037
Italy	108	437	12	117	-	-	-
Netherlands	33	259	23	159	199	-	-
Portugal	-	-	73	91	-	-	64
United Kingdom	106	102	24	46	117	-	-
Sweden	-	-	-	-	8	-	-
Brazil	3	5	-	-	158	424	98
France	13	23	99	95	-	-	-
Norway	-	-	-	124	-	-	-
Others b/	97	436	9	3,236	2,406	-	-
Total	2,084	3,333	2,849	4,288	3,991	3,095	1,199

Anuario Estadístico and other official sources.

a/ Preliminary. b/ For transshipment to other foreign countries. c/ Including shipments on order, destination not specified.

CANADA Canadian flaxseed production was at its peak just prior to World War I. At that time the Western Provinces were being opened up, and flaxseed made an excellent crop for new land. In 1912 production was slightly over 28 million bushels, while in 1938 it was only 1.3 million. The first real increase in recent years came in 1941 when the yield was 5.8 million bushels, followed by 15 million in 1942. The record acreage for this crop occurred in 1943 when 2.9 million acres were seeded, but since growing conditions were unfavorable, the harvest was only 19 percent above that of the previous year.

INDIA Indian flaxseed production has ranged between 14 and 20 million bushels during the past 20 years, while in the same period acreage has remained uniform at about 3 million acres. Flaxseed is produced chiefly for export, with the bulk of the shipments going to other British Empire countries and continental Europe. Since the outbreak of war in 1939, export demand has been confined principally to the requirements of the British Ministry of Food.

INDIA: Exports of flaxseed by countries of destination,
averages 1925-1934 annual-1934-1939

COUNTRY OF DESTINATION	AVERAGE : 1925-1929	AVERAGE : 1930-1934	1935	1936	1937	1938	1939 a/
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
	:	:	:	:	:	:	:
United Kingdom	2,689	2,920	2,462	9,199	6,565	9,612	6,723
Germany	485	368	154	579	414	330	366
Netherlands	325	219	40	252	24	12	33
Belgium	629	204	94	58	-	107	160
France	2,210	1,205	184	394	278	359	36
Spain	300	213	94	-	-	-	-
Italy	1,328	753	255	76	53	13	36
Greece	103	157	153	108	217	142	105
Japan	292	95	-	-	-	-	-
Australia	803	519	439	673	1,067	773	927
United States	-	562	1,241	666	290	1	-
Canada	-	-	-	276	-	-	b/
Egypt	-	-	-	-	-	-	2,161
Others	279	1,379	55	100	103	121	99
	:	:	:	:	:	:	:
Total	9,442	8,594	5,171	12,381	9,011	11,470	10,646
	:	:	:	:	:	:	:

Compiled from official sources.

a/ Latest year available for publication. b/ Less than 500 bushels.

UNITED STATES When United States flaxseed production reached 52 million bushels in 1943, this country became the second largest producer in the world. Production has increased annually since 1933; at that time the outturn was only 5.3 million bushels. The advance was gradual until 1939 when 19.6 million bushels were harvested, followed by 30.9 million in 1940. There was a strong demand for linseed oil in 1941, when the United States defense program got under way. Despite the large supply of domestically

produced flaxseed, imports were the largest in several years. Crushings were 42 percent greater than those of a year earlier and 55 percent above those of 1939. Approximately 75 percent of the United States Consumption of linseed oil is utilized in the manufacture of paints and varnishes and about 15 percent for soap.

UNITED STATES: Flaxseed area, production, imports, and crushings,
average 1925-1929, annual 1930-1943

YEAR	AREA	PRODUCTION	IMPORTS	CRUSHINGS
	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels
Average 1925-1929 ...	2,836	20,216	20,540	40,674
1930	3,780	21,673	12,662	29,514
1931	2,431	11,755	14,476	28,499
1932	1,988	11,511	7,672	17,714
1933	1,341	6,904	13,966	21,467
1934	1,002	5,719	14,170	19,034
1935	2,126	14,914	17,560	26,140
1936	1,125	5,331	15,365	24,056
1937	927	7,070	28,032	33,967
1938	905	8,032	15,364	22,700
1939	2,171	19,606	16,028	28,868
1940	3,182	30,888	11,825	31,560
1941	3,275	32,285	a/ 11,362	44,856
1942	4,424	41,053	-	49,864
1943 b/.....	5,867	52,008	-	47,953

Compiled from official sources.

a/ January-September; last published data. b/ Subject to revision.

Flaxseed prices have increased steadily since December 1941 when this country entered the war. At that time the Minneapolis price was about \$1.80 per bushel compared with \$3.05 in December 1943. Support prices for United States No. 1 flaxseed in the 1944 crop year will be based upon \$2.95 per bushel at Minneapolis, Chicago, and Portland; \$3.00 per bushel at Los Angeles and San Francisco, California; \$2.85 per bushel at Emporia and Fredonia, Kansas; and \$2.80 per bushel at Corpus Christi, Harlingen, and Houston, Texas. These prices are about 10 cents per bushel higher than the support prices in the current season. The support prices at local markets will be the applicable terminal price, less freight and handling charges. Non-recourse loans on flaxseed stored on farms or in warehouses will be made available to farmers at the support price levels. The War Food Administration will also offer to purchase linseed oil and meal from processors who agree to pay not less than the announced support prices for all flaxseed purchased by them.

FUTURE OUTLOOK As long as the over-all scarcity of fats and oils exists, substantial quantities of linseed oil will be consumed for food and for soap-making. During the reconstruction period after the close of the war, the demand for linseed oil in the manufacture of paint and varnish will be at a high level, but with the return of normal supplies of edible and soap-making oils, it is expected that the demand for linseed oil will fall off, and that a reduction in world acreage will follow.

FRUITS, VEGETABLES, AND NUTS . . .

Fred A. Motz, in charge

ARGENTINE FRUIT CROP PROSPECTS SMALLER

The fruit crop now being harvested in Argentina is smaller than that of last season for cherries, plums, apricots, peaches, apples, and pears, but larger for quinces. The reduction for most fruits is attributed to losses experienced in the Cuyo Provinces (San Juan and Mendoza), in various zones of the Buenos Aires Delta, and in the San Nicholas district, as a result of hail, strong winds, and frosts. The quince crop, however, is estimated as being about 16 percent larger than that of last season.

In general the amount of fruit that will be harvested will depend to a considerable extent on market conditions. The potential harvest of the various fruits, based on conditions in the orchards last December, is shown in the following tables.

ARGENTINA: Production of fruit, 1941-1944 and increase or decrease of 1944 over 1943

KIND OF FRUIT	1941	1942	1943	1944	PERCENTAGE	
					INCREASE OR DECREASE 1944 OVER 1943	
	Short tons	Short tons	Short tons	Short tons	Percent	
Apples	97,554	93,695	159,179	131,718	-17.2	
Apricots	a/	7,937	14,336	8,376	-41.6	
Cherries	1,246	5,622	8,407	5,735	-31.8	
Peaches	99,626	68,784	162,185	109,834	-32.3	
Pears	108,797	80,468	151,119	139,922	-7.4	
Plums	22,266	14,330	32,064	29,075	-9.3	
Quinces	16,534	15,763	22,081	25,519	+15.6	
:	:	:	:	:	:	
:	:	:	:	:	:	

Compiled from official sources. a/ Not available.

ARGENTINA: Distribution of specified fruits by production zones, 1944

PROVINCE OR TERRITORY	APPLES	APRICOTS	CHERRIES	PEACHES	PEARS	PLUMS	QUINCES
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Mendoza	26,577	2,850	4,426	44,004	34,712	12,406	3,723
San Juan	4,409	1,653	-	4,448	2,072	656	3,197
Rio Negro and Neuquen	72,084	306	380	4,055	89,507	4,269	5,140
Buenos Aires	22,549	1,120	631	26,901	9,084	8,824	9,468
Santa Fe	645	591	36	11,839	831	1,284	382
Others	5,454	1,856	262	18,587	3,716	1,636	3,609
Total	131,718	8,376	5,735	109,834	139,922	29,075	25,519
:	:	:	:	:	:	:	:

Compiled from official sources.

WORLD EXPORTS OF CARPET WOOL REDUCED BY WAR*

Due to wartime shipping and other difficulties, the movement of carpet wool into channels of international trade has been much reduced in recent years. Details are not available for all countries for 1943, but as near as can be ascertained, exports of that type of wool in 1942 from seven of the most important exporting countries ^{1/} amounted to only 136 million pounds compared with 290 million pounds in 1939. The 1942 estimate includes rough approximations of Chinese wool exported to the Soviet Union over land boundaries and of Chinese wool entering Japanese-controlled areas. In 1942, only 56 million pounds went to the United States from the seven countries referred to, compared with 100 million pounds in 1939.

World production of carpet wool in 1943 is estimated roughly at 900 million pounds. This was approximately 22 percent of the estimated world output of all types of wool that year ^{2/}. It is difficult to show trends in carpet wool production from year to year owing to the fact that the countries that produce both apparel and carpet wool do not distinguish between such types in their estimates. In this survey, the estimates of the percentages of carpet wool produced by countries in that category were obtained from various sources. In the case of the strictly carpet-wool producing and exporting countries of Asia, the figures are based primarily on trade estimates. The United States produces practically no carpet wool.

BULK OF CARPET WOOL EXPORTS FROM MIDDLE AND FAR EAST The principal carpet-wool exporting countries of the Far and Middle East produce a little over 30 percent of the world's total output of carpet wool, while production in Argentina represents about 18 percent of the total. Not all of the coarse crossbred wool produced in Argentina is strictly carpet wool. That a considerable proportion of it can be used for that purpose in an emergency, however, is indicated by the increase in United States imports of Argentine carpet wool during 1939, 1940, and the first 6 months of 1941. Approximately 95 percent of the imports during that period were free of duty, indicating that they were used for rugs, carpets, or other floor covering. Wartime security regulations prohibit publication of later United States trade statistics.

The United States is the only country showing carpet-wool imports separately from imports of apparel wool. Statistics on imports of carpet wool into the United States by country of origin indicate that, in addition to receipts from the important exporting countries of the Far and Middle East and Argentina relatively small quantities of that type of wool in normal years are brought in also from Europe (especially the United Kingdom), New Zealand, and a few other countries.

*Prepared by Esther H. Johnson.

^{1/} India, China, Turkey, Iran, Iraq, Syria, and Argentina.

^{2/} See Foreign Crops and Markets, February 14, 1944, for survey of total wool production.

UNITED STATES: Imports of carpet wool by principal country of origin,
average 1934-1938, annual 1939, 1940, January-June 1941 a/

COUNTRY OF ORIGIN	AVERAGE 1934-1938	1939	1940	JANUARY-JUNE 1941 b/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Argentina	38,672	45,609	66,413	80,580
Uruguay	1,266	598	216	561
British India	20,639	38,236	20,211	4,102
China	27,024	2,443	6,750	3,991
Iraq	4,875	10,510	14,086	8,907
Iran	128	30	780	-
Syria	4,985	8,376	5,277	17
Turkey	440	1,367	225	-
Egypt	3,658	4,168	2,052	510
United Kingdom	13,593	10,157	7,278	10,087
Ireland (Eire)	1,371	2,513	3,600	3,320
France	2,925	4,052	178	20
Italy	761	1,653	578	7
Portugal	1,046	2,503	1,684	1,685
Iceland	373	48	172	395
New Zealand	8,056	8,019	872	74
All others	4,067	4,350	3,821	4,513
Total	133,880	144,632	134,203	113,769

Compiled from United States Department of Commerce publications.

a/ Imports for consumption. b/ Wartime regulations prohibit publication of later trade statistics for the United States.

CARPET WOOL STOCKS HEAVY IN PRODUCING COUNTRIES The United States and the United Kingdom are normally the most important importers of carpet wools, but imports have been at a substantially reduced level since the outbreak of war. Moreover, exports from the Middle and Far East since the entrance of Japan into the war have been restricted mainly to the quantities that could be shipped over land boundaries because of the shortage of shipping space and the fact that carpet wool is not classed by principal importing countries as an essential wartime commodity.

It appears likely, therefore, that stocks of carpet-type wool in producing countries are fairly large. In fact, indications are that a considerable portion of the stocks in most producing countries have not been shipped to marketing centers as yet but are still in the hands of producers. Local consumption has increased materially in the Middle Eastern countries, where blankets and other materials are being manufactured for military use. Even in Argentina, stocks of coarse wool have accumulated in recent months, owing originally to the difficulty of obtaining United States import permits and more recently to shortage of shipping space. A considerable quantity of such types was reported as being in the hands of speculators in Argentina or still in the hands of growers at the end of the 1942-43 season (September 30). Sales have been small in the new (1943-44) season as compared with supplies, although United States buyers are now showing considerable interest in Argentine coarse cross-breeds. The Argentine Government has attempted to aid its coarse-wool growers by granting loans in order to enable them to keep or store their wool rather than sell at the prevailing prices. The loans apply to wool of the 1943-44 season only.

SOVIET UNION Although the Soviet Union grows more coarse wool than any other country, imports are necessary even in normal times in order to meet consumption demands. A rough approximation places production of wool in the Soviet Union in 1943 at only 230 million pounds, a decrease of 32 percent as compared with 1941. Since the war began such additional requirements as could not be met by imports from China or the Middle East have been supplied by the United States or the United Kingdom, although in the 1940-41 season direct exports were made to Russia from Argentina and Uruguay. In 1942, the bulk of the exports from Syria and Iran went to the Soviet Union, and it seems probable that a fair amount of Chinese wool was smuggled over the border. The Soviet Union was also reported as negotiating for some Indian wool.

INDIA India normally produces around 85 million pounds of wool, practically all of the carpet type, and exports around 50 million pounds, with the United Kingdom the chief destination. Production in 1942 and 1943 did not vary much from the average, being estimated at around 80 million pounds, according to latest information. Exports in 1942 apparently totaled about 23 million pounds, the United States taking 10 million pounds, including some non-Indian wool.

Exports from India to the United States were virtually terminated in July 1942, following the issuance of the United States General Imports Order No. M-63 and shipping priorities lists in which carpet wool was classed as a nonessential item. Exports to the United States in 1943 were undoubtedly much below normal. The quota for the United Kingdom was only 12 million pounds.

Present stocks of wool in India are unknown. Stocks last March (the beginning of the Northern Hemisphere season) totaled approximately 39 million pounds, 3 million pounds at ports and 36 million pounds (white and yellow wool) in the interior. The clip about to come on the market at that time (March 1943) was estimated at 20 million pounds. The Karachi Buyers and Shippers Chamber has recommended that the Indian Government buy up all surplus stocks of white and yellow wools and use them in the manufacture of cloth for Indian requirements instead of importing fine wools from Australia.

There has been no change in Indian Government wartime regulations prohibiting the export of black and gray wools which do not require dyeing. Such wools are being used in the domestic spinning and weaving industry. The requirements of the domestic industry, based on growing war needs, are being met to an ever-increasing extent by the use of finer types of Indian white and yellow wools. Indicative of the increasing demand for wool goods in India is the fact that more and more Indian Government orders are being placed with hand-loom operatives, because mills are already operating at top capacity.

CHINA China was, next to India, the most important exporter of strictly carpet-type wool prior to the Japanese invasion. Overseas exports from China averaged 37 million pounds for the 10-year period, 1925-1934. Approximately 86 percent of such overseas exports were to the United States. Long before Pearl Harbor, exports of wool from Tientsin were embargoed by the Japanese military authorities. The extent of the movement of Chinese wool within the country, as well as the movement into Japanese-controlled territory, has been obscured by war conditions and by the lack of reliable production and consumption figures.

Recent estimates of Chinese wool production vary widely, but some of the most conservative place the total at 90 million pounds, about 50 million pounds in Free China and the remainder in occupied and partly occupied China. Estimates of consumption also vary greatly. Consumption in Free China is at present estimated at approximately 30 million pounds out of an annual clip of about 50 million pounds. All sources are in agreement that a little less than 10 million pounds was exported to the Soviet Union in 1942 against 13 million in 1941. This would have left roughly 10 million pounds of the estimated production of Free China either unaccounted for or possibly indicative of the quantity that may have been smuggled into Japanese-occupied areas. Japanese-occupied areas of China, therefore, had access not only to the estimated 40 million pounds produced in that area but possibly also to an additional 10 million pounds smuggled from Free China, or altogether about 50 million pounds. Estimates of the quantities smuggled into Japanese-controlled areas from Free China, however, range from 10 million pounds to 25 million, or half of the total production in Free China.

IRAQ The 1943 wool production in Iraq, also a factor in the world's carpet wool situation, is estimated at only 8.5 million pounds, a decrease of 33 percent compared with that for 1942 and of 57 percent compared with 1939. Because of the poorly nourished condition of sheep as a result of the drought conditions prevailing in that country in recent months, it is doubtful if the 1944 clip will be a good one. The below-normal production in 1942 and 1943 is attributed to three causes: (1) losses of sheep in the winter of 1941-42, estimated at 25 percent; (2) large-scale smuggling of sheep into surrounding countries; and (3) heavier-than-usual slaughter to meet the food requirements of the British forces stationed in Iraq.

Raw wool is one of Iraq's principal exports, and the United States normally takes about four-fifths of the exportable surplus. This situation was changed in 1943, however, due to the inability of exporters to obtain United States import permits and to scarcity of shipping space. Total exports for the first 11 months of 1943 amounted to only 4,200,000 pounds against 11,300,000 pounds for all of 1942 and an average of 14,000,000 pounds annually for the 5 years, 1935-1939. Out of the total export of 4,200,000 pounds in the first 11 months of 1943, only 50,000 pounds went to the United States. In 1943 the bulk of the wool exported from Iraq went to Iran for subsequent shipment to the Soviet Union. The wool sent to the Soviet Union was reported to be poor in quality.

During most of 1943, Iraq merchants were reported to be buying up wool for speculative purposes. Government regulations prevented hoarding of other commodities. Local merchants considered wool to be a good investment for the profits derived from sales of merchandise to the British forces stationed in Iraq. As the merchants buying the wool were not regular wool exporters and therefore had little knowledge of wool, they paid prices much higher than the current selling prices. Eventually, pressure had to be applied by the Commercial Secretariat of the British Embassy in Baghdad to force withdrawal of such speculative purchasers from the market in order to prevent prices from becoming prohibitive for the wool purchase program of the United Kingdom Commercial Corporation, which was buying wool for shipment to the Soviet Union. As a result, private buying stopped and prices declined.

Stocks of wool in warehouses in Iraq at the end of November 1943 amounted to about 10 million pounds, which was considerably larger than stocks at the end of 1942.

Wool exporters customarily exporting to the United States were reported as hoping to receive permits for shipments to the United States so as to reduce their holdings.

IRAN Wool production in Iran was estimated at 31 million pounds in 1943, an increase of 12 percent compared with the small production of 1942, which, in turn, was 37 percent below the average for the years 1934-1938. Because of favorable weather conditions during the fall of 1943, a good spring clip for 1944 is in prospect. Sheep numbers are estimated at roughly 16,000,000 head.

Wool exports from Iran averaged 20,000,000 pounds annually in the 3 years 1939-40 to 1941-42 (April-March). The quantity increased slightly each year but fell to only 10,000,000 pounds in 1942. Exports were chiefly to Germany and the Soviet Union. Shipments to Germany, however, declined from 18,000,000 pounds in 1939 to only 42,000 in 1942, while those to the Soviet Union increased from 3,000,000 pounds in 1938 to 9,000,000 in 1943. Shipments to the United States have been relatively small and in 1942-43 totaled only 200,000 pounds.

Domestic-wool consumption in Iran in the year beginning April 1, 1943, was expected to be between 18 and 22 million pounds. Normally, only about half the quantity produced in Iran is consumed in the country. The reason for the increased consumption in Iranian mills in recent years is that large quantities of blankets and coats are being manufactured for the Allies. Wool dealers estimated local stocks at the end of November 1943 at 22 million pounds compared with 7 to 9 million pounds at the same date in 1942.

TURKEY Latest information indicates that the 1943 wool production in Turkey amounted to 55 million pounds, or about the same as in 1942, when production was said to have been 20 percent below normal. The decrease in 1942 was attributed to the hard winter of 1941-42, which caused heavy losses of sheep. Turkish wool exports in the 5 years preceding the war (1934-1938) averaged 15 million pounds, or 28 percent of estimated production. Exports to Germany averaged 5 million pounds for those years and shipments to the Soviet Union 8 million pounds. Only relatively small quantities, less than 1 million pounds, were sent to the United States. Since September 22, 1941, the Turkish Government has exercised a monopoly over all wool produced in the country and has become the sole purchaser and seller. The entire domestic clip, supplemented by some imports of fine wool, is now required to fill Turkey's domestic requirements. Stocks in that country are reported as negligible.

SYRIA Syria produced approximately 8.8 million pounds of wool in 1943. This is slightly more than the average of 7.9 million pounds for the 5 pre-war years, 1934-1938. Under normal peacetime conditions, Syria exports about 50 percent of its annual clip. In 1938, exports amounted to 3.8 million pounds, about 71 percent of it to the United States.

During 1943, Syrian wool was being acquired by the British Ministry of Economic Warfare for shipment to the Soviet Union. In an effort to stop hoarding by local speculators, a decree dated July 1, 1943, provided that no person or firm could deal in wool or hold a stock exceeding 440 pounds of greasy wool, or an equivalent amount of washed wool, without a license issued by the Director of Supplies. Speculators and

hoarders had time to acquire more than 50 percent of the country's wool supply, however, before the Decree became effective, and it was problematical whether the British would be able to collect more than 2.6 to 2.9 million pounds of washed wool in 1943.

It was estimated that the equivalent of from 1.8 to 2.2 million pounds of washed wool still remained undeclared in the hands of local private owners at the end of 1943. The latter were reported as having been willing to sell to local British authorities at a lower price than that fixed on July 1, 1943. The British refused to purchase, however, because of the risk involved in storing until the next wool-washing season, which begins in May 1944.

EGYPT Wool production in Egypt in 1943 was estimated at approximately 4.7 million pounds, an increase of 15 percent above that of 1942 but almost 30 percent below the average for the 5 years, 1934-1938. Normally the country is a wool exporter, but at the present time the entire clip, supplemented by imports, is utilized within the country. In the past 3 years imports have averaged about 1 million pounds annually.

Before the war, that is, for the 5-year period 1934-1938, Egyptian wool exports averaged 4 million pounds annually. Exports have been prohibited since November 1941. In view of the high prices prevailing for wool in the home market and the urgent local demand for making blankets and other military requirements, it is not likely that exports will be permitted in the near future. During the 5-year period 1934-1938, United States imports from Egypt averaged 4 million pounds annually. Practically all of it was listed as carpet wool, which can be imported free of duty.

IRELAND Carpet wool continues to be exported from Ireland despite increased domestic consumption. Exports reached 3.5 million pounds in the first 9 months of 1943. Declared exports to the United States alone during the first 10 months of 1943 were reported at 1.5 million pounds, compared with 3.6 million pounds during the corresponding period of 1942. The United States and Northern Ireland are the only two export markets open at present.

Irish mills purchased large stocks last summer, and some of them are reported to have from 9 months' to a year's supply on hand. Such purchases slackened after the Ministry of Supplies, on August 27, 1943, prohibited manufacturers from purchasing further lots except on the basis of a "buying permit" from that Department. Stocks of unsold wool of all types at the end of September 1943 were estimated at 2.4 million pounds of washed wool and 2.7 million pounds of grease wool. Skin or pulled wool constituted 55 percent of the stocks of washed wool. Owing to the fact that sheep are not being exported, pulled-wool supplies are more plentiful than in former years.

Wool dealers in Ireland are of the opinion that all the fine wools and Cheviots available will be purchased by local mills before the new clip comes on the market this spring. Stocks of carpet wool (black-faced Kerry and crossbred) totaled 180,000 pounds washed and 2,100,000 pounds in the grease on September 30, 1943.

SCOTLAND In Scotland black-face wool is being used to fill Government orders. The 1942 clip is now finished, and the clip for 1943, stated to be about 11 million pounds, is in full use. No allocation of Scotch black-face wool for export has been made for several months.

CARPET WOOL: Rough estimate of world production as distinguished
from apparel wool in 1943 a/

COUNTRY OF PRODUCTION	QUANTITY			PERCENTAGE		
	TOTAL	CARPET	APPAREL	TOTAL	CARPET	APPAREL
	: Million:	: Million:	: Million:	:	:	:
Total <u>North America, Central America</u>		pounds:	pounds:	Percent:	Percent:	Percent:
and <u>West Indies</u>	478:	0:	478:	100:	0:	100
<u>South America</u>						
Argentina	510:	b/ 163:	347:	100:	32:	68
Uruguay	136:	1:	135:	100:	1:	99
Brazil	40:	11:	29:	100:	27:	73
Total South America	753:	168:	585:	100:	23:	77
Total <u>Europe, excluding Soviet Union</u> ..	493:	148:	345:	100:	30:	70
<u>Soviet Union</u>	230:	205:	25:	100:	89:	11
<u>Africa</u>	:	:	:	:	:	:
Morocco	38:	31:	7:	100:	82:	18
Algeria	52:	8:	44:	100:	15:	85
Tunisia	10:	0:	10:	100:	0:	100
French West Africa	3:	3:	0:	100:	100:	0
Egypt	5:	5:	0:	100:	100:	0
British South Africa	250:	2:	248:	100:	0.7:	99.3
Total Africa	362:	54:	308:	100:	15:	85
<u>Asia, excluding Soviet Union</u>	:	:	:	:	:	:
Turkey c/	55:	55:	0:	100:	100:	0
Iraq	9:	6:	3:	100:	72:	28
Iran c/	31:	31:	0:	100:	100:	0
Syria c/	9:	7:	0:	100:	100:	0
Afghanistan c/	15:	15:	0:	100:	100:	0
India c/	80:	80:	0:	100:	100:	0
China c/	90:	90:	0:	100:	100:	0
Total Asia excluding Soviet Union ..	290:	281:	9:	100:	97:	3
<u>Oceania</u>	:	:	:	:	:	:
Australia	1,110:	34:	1,076:	100:	3:	97
New Zealand	310:	19:	291:	100:	6:	94:
Total Oceania	1,420:	53:	1,367:	100:	4:	96
World total d/	4,030:	910:	3,120:	100:	24:	76

Estimates of the Office of Foreign Agricultural Relations.

a/ Definite information is lacking as to quantity of carpet wool produced in various countries of the world. Information from reliable sources, however, indicates that carpet wool constitutes between 20 and 25 percent of world production. The statistics of imports of carpet wool into the United States (by country of production) show that in addition to Asiatic countries and Argentina, small quantities come from other South American countries, North Africa, and Europe.

b/ Coarse crossbred wool grading from 32's to 44's. Only about 5 percent of the total clip may be classified as strictly carpet wool, but other coarse crossbred wool is evidently used for carpet purposes, judged by the quantity entering the United States from that country and entered as carpet wool free of duty. This quantity amounted to 45,609,000 pounds in 1939.

c/ The bulk of the wools produced in these countries are carpet types, but many of them also produce small quantities of other kinds of wool.

d/ Totals rounded to tens of millions.

GENERAL AND MISCELLANEOUS . . .

WEATHER AND CROP CONDITIONS ABROAD

The following summarizes such reports as have been received on weather and crop conditions in specified countries during January and February 1944.

UNITED KINGDOM The weather in January was reported as unseasonably mild and in parts too wet. The season was very early and by the middle of February some barley and oats had already been sown.

WESTERN EUROPE During the last of January fall-seeded crops were well advanced over most of western Europe, due to the mild winter and in certain parts to abundant rains. By the end of February the weather had turned a little colder but was still comparatively mild. There was an absence of snow cover but crop conditions were still mostly favorable except in parts of southern Europe where more rain was needed.

GERMANY At the middle of February, warm weather prevailed in Germany. This permitted active growth of winter grains and favored the progress of farm activities.

HUNGARY In January, precipitation over one-half of the agricultural area was above average, and for the rest of the country it was average or one-half of average. The weather was very mild, enabling farmers to continue field work and deep plowing. In the small plain of Trans-Danubia and between the Danube and the Tisza, crop conditions were generally good. Early crops came up well and were strong and uniform, but late crops, especially in the counties beyond the Tisza, were uneven, although the weather was favorable. Crops in Transylvania and the higher regions were mostly snow covered.

SWITZERLAND Mild weather prevailed during January and precipitation was about normal. Rain fell during the first few days of February. The first heavy snow fell at Basel on February 4.

SLOVAKIA During the 3 months, November 15 to February 15, crops were favored with good weather. A shortage of dry fodder, especially hay, was reported.

RUMANIA At the end of January the fields were covered with snow. Thus far this winter up until the end of January four heavy snows had been reported in Rumania. The fourth came at the end of January and covered the entire Banat.

PORTUGAL, SPAIN AND NORTH AFRICA Reports from Portugal during the third week of February stated that rain was needed. Severe drought and cold were reported as damaging winter crops in Spain. In North Africa the weather was reported as cold.

SOVIET UNION Reports indicate an unusually mild winter in the region around Moscow, up until the end of January. Temperatures were above freezing most of the time,

with snow melting underfoot. Usually the weather in January is very cold in the Moscow region. Snowfall in the vicinity of Moscow has been about normal. According to Pravda, the collective farms of Ashkhabad began sowing grain during the first week of January, and in the same month spring sowing was begun in southern Azerbaïdzhân. The rains that fell early in the month were followed by warmer weather.

MEXICO Virtually every district in Mexico experienced unusual weather during the month of January. "Northerners" frequented the States of Veracruz and Yucatan and brought about cool and cloudy days. The northern States of Sonora, Sinaloa, Durango, San Luis Potosi, Jalisco, Baja California, and Aguascalientes experienced snow and freezes. Crop damage was believed to be insignificant, however, with the exception of some loss of winter vegetables in the States of Sonora and Sinaloa.

Practically all the States of Central Mexico are experiencing unusually dry weather. Puebla and other central States report the arrival of dust storms much earlier than usual, indicating that precipitation has been less than normal. This is the off season for agriculture in that area, however, wheat being the only major crop in the ground.

CANADA Insufficiency of moisture in the soil continued to worry farmers in the Prairie Provinces during January. At the present time the soil is abnormally dry due to the fact that little moisture was accumulated during the fall. The early winter months were comparatively mild but true winter weather was experienced during the first half of February and temperatures as low as 35 degrees below zero were frequent. All parts of the Prairies were covered with snow.

ARGENTINA The entire grain belt experienced rains every 2 or 3 days during January. While the rains delayed wheat and flaxseed threshing and affected the quality of those grains unfavorably, they were beneficial to corn farmers who look forward to a fine crop. Temperatures were high in the second week of February and moisture conditions satisfactory. At the close of the month the corn crop was progressing satisfactorily, but in some southern sections additional moisture was needed.

PARAGUAY Agricultural conditions throughout the country at the end of January were reported as satisfactory. Abundant rains had fallen in most of the more important growing areas, and prospects for crops, especially for cotton, peanuts, and sugarcane, were favorable. A bumper crop of cotton was expected if moisture conditions remained favorable during February and March.

NICARAGUA January marked the beginning of the dry season in the agricultural zones of Western Nicaragua. Although harvests for rice, corn, and sesame were finished, they continued for coffee, beans, sugarcane, cotton, and sorghum. With a few exceptions, planting operations will not begin until May.

INDIA At mid-February, the weather in the Punjab was reported as unfavorable. A below-normal wheat crop was expected, as rainfall in some areas continued to be inadequate. Other areas of India also reported a need for rain.

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of specified currencies,
week ended February 26, 1944 with comparisons a/

COUNTRY	MONETARY UNIT	YEAR	MONTH				WEEK ENDED		
			1942	1943	1944		1944		
			JAN.	JAN.	DEC.	JAN.	FEB.	FEB.	FEB.
							12	19	26
			Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina <u>b/</u>	Paper peso		29.77	29.77	29.77	29.77	29.77	29.77	29.77
			<u>c/</u>	<u>c/</u>					
Australia	Pound		322.80	321.50	321.50	322.80	322.80	322.80	322.80
Brazil <u>d/</u>	Cruzeiro		5.13	5.13	5.13	5.13	5.13	5.13	5.13
British India	Rupee		30.12	30.12	30.12	30.12	30.12	30.12	30.12
Canada <u>e/</u>	Dollar		89.98	87.83	89.64	89.40	89.55	89.64	89.52
Colombia <u>f/</u>	Peso		57.26	56.99	57.22	57.28	57.28	57.28	57.28
Mexico	Peso		20.58	20.56	20.57	20.58	20.58	20.58	20.58
New Zealand	Pound		324.20	322.78	322.78	324.42	324.42	324.42	324.42
South Africa	Pound		398.00	398.00	398.00	398.00	398.00	398.00	398.00
			<u>c/</u>	<u>c/</u>					
United Kingdom	Pound		403.50	403.50	403.50	403.50	403.50	403.50	403.50
Uruguay <u>g/</u>	Peso		52.86	52.57	52.75	52.97	52.95	52.94	52.95

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free. Quotation of free rate discontinued after February 1, 1943.

d/ Free. Prior to November 1, 1942, the official designation of the Brazilian currency unit was the milreis. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis being 5.41 cents in 1943, the value of the cruzeiro 5.41 in January, 1944 and 5.41 cents in the week ended February 26, 1944. Quotations nominal.

e/ Free. Most transactions between Canada and the United States take place at the official buying and selling rates.

f/ Quotations nominal.

g/ Noncontrolled. Quotations nominal.

